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4. In 1937, Siemens produced an annual average of about 30,000 integral horsepower motors; AEG Union, about 20,000; and Brown-Boveri, which turned out mainly such large electrical installations as turbines, generators, transformers, etc., manufactured a total of about 10,000 pieces of all types each year. The chart below shows the present capacity and the actual production figures of these three companies.

	<u>Siemens-Schuckert</u>		<u>AEG Union</u>		<u>Brown-Boveri</u>	
	<u>Monthly capacity</u>	<u>Actual production</u>	<u>Monthly capacity</u>	<u>Actual production</u>	<u>Monthly capacity</u>	<u>Actual production</u>
Fractional hp motors	0	0	?	250	0	0
Integral hp motors						
1-5 hp	ca. 1600	900-1000	ca. 1650	300	fluctuating	200 (?)
over 5 hp	ca. 850	200-300		50	only large installations	?

Thus, of the approximately 2,000 electric motors now being manufactured monthly under Soviet control, Siemens-Schuckert makes about 1200, and the remaining 800 are produced by AEG Union and Brown-Boveri. Supplementary information obtained on 11 October sets the September production of integral horsepower motors in Soviet-administered plants at: Siemens - 1296; AEG - 400; Brown-Boveri - 300.

5. In order to compete with Soviet-controlled manufacture of fractional horsepower motors, there has been instituted for the electrical industry a new production plan, whereby AEG will begin turning out fractional horsepower motors as soon as the necessary machinery can be installed in its non-Soviet plants. The Siemens plant in Salzburg, which was to have made these motors, will now be devoted to the production of integral horsepower motors of from 1 to 4 hp. The precise number of large electrical installations manufactured by Brown-Boveri is difficult to ascertain because the production of these items sometimes takes several months, and, since most of them are made to customer specifications, they are usually manufactured individually rather than on a mass production basis. In view, however, of the fact that the Soviets encounter great difficulties in obtaining raw materials for heavy electrical goods, it is questionable that Brown-Boveri output in this category will reach any significant proportions, even though the capacity for such production exists in its plants.

#### Wire and Cable

6. In the Austrian electrical industry the term "cable" is applied only to heavy, sheathed cables designed to be laid underground (Erdkabel). At present, despite Soviet efforts to purchase copper abroad, there is scarcely any of this cable being produced, because of the difficulty in obtaining raw materials. The principal wire and cable manufacturing firms in Austria under Soviet administration (Wiener Kabel- und Metallwerke; Ariadne Draht- und Kabelwerke; Draht und Kabel Sichter-mann A.G.; Felten & Guilleaume) report a monthly production at present of 200 km of conducting wire (Stromleitung). It is the consensus in the electrical industry that this is only a partial report of what is actually produced in these factories. Austrian electrical experts estimate that the Soviet-administered firms produce 60% of the entire Austrian output of wire and heavy cable, while firms in Styria account for the remaining 40%.

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**Comment:** A recent survey has shown that of the estimated 4,400 tons of wire and cable produced annually by the Austrian electrical industry, only 500 tons, or about 11%, came from plants in the western zones, and a total of only approximately 700 tons entered legal Austrian consumption channels.)

Other Electrical Products

7. In 1937, about 100 transformers were produced in Austria yearly; there is now no production at all, except for welding transformers, the manufacture of which is controlled entirely by the Soviets. Elin and Siemens-Schuckert, the only plants now producing these items, have reduced their output of welding transformers to 20% of the 1937 level.
8. The Soviets, through Onram and the Allgemeine Gluhlampenfabrik, control only approximately 40% of Austria's output of electric light bulbs. Through the USIVA monopoly on the production of glass envelopes used in bulb fabrication, however, other Austrian incandescent lamp firms have been forced either to sell their output to Onram for distribution or to look abroad for other sources of supply. **Comment:** Most of the non-USIVA light bulb producers refused to allow themselves thus to become utterly dependent on the USIVA bulb manufacturers and have been relying recently on reserve stocks of glass envelopes, awaiting the outcome of negotiations with Italian firms for the import of these articles. These negotiations, carried on with the help of the Austrian Government, have now been completed, and it has been learned that deliveries of Italian glass envelopes have already begun.)

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Procurement of Raw Materials

9. [ ] the deplorable shortage of raw materials for the electrical industry and says that what the Soviets do obtain for USIVA enterprises comes from the Soviet Zone, from barter agreements with Czechoslovakia, or from the western zones of Austria through Austrian middlemen buying for USIVA. In order to establish themselves as favored customers of the supplying firms, these middlemen are authorized to pay exorbitant prices for materials obtained in the western zones.
10. Among the most critical items needed by the USIVA enterprises for electrical manufacture are a certain type of wire (Rotlackdraht) for winding motor armatures, wound oiled silk and oiled linen insulation materials, which must be imported from western Europe and paid for in foreign currencies, and ball bearings now being imported from Stoyr.

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